

NEWS RELEASE



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THDA Assistance Available Now

Tornado-Damaged Properties Eligible for Help

NASHVILLE (May 1, 2006) – Housing assistance is available for persons whose homes were severely damaged by the tornadoes.

“We know that thousands of homes either disappeared or were made unlivable by the tornadoes,” said Ted R. Fellman, executive director of the Tennessee Housing Development Agency. “If a home has sustained property damage in excess of insurance coverage, we are ready to talk about loan assistance. The Agency has set aside \$25 million for this effort.”

Homes must be in the counties declared federal disaster areas to be eligible. Those counties are Benton, Cannon, Carroll, Cheatham, Cumberland, Davidson, Dickson, Dyer, Fayette, Gibson, Haywood, Maury, Sumner, Warren and Weakley. Applications for the loans can be made through THDA’s standard lenders. The usual first-time homebuyer requirement is waived. The program is targeted to households of very low or low income. Lenders’ names and program income limits are posted by county on the website: www.tennessee.gov/thda. Information is available, too, by calling Ed Lozier at (615) 741-9619.

“Families have been devastated by this destruction,” said Fellman. “We understand they want to stay in their communities. If a new mortgage is what’s needed to rebuild, then Tennessee Housing Development Agency may be able to help.”

Renters whose rental homes were affected may be able to take advantage of the program, too. A statement from the property manager or owner is required to confirm the renter’s residence sustained real damage.

The loans are 30-year, fixed rate, permanent financing to take out a construction loan for repair or reconstruction of a damaged housing unit owned by the applicant, or finance the applicant’s purchase of a new or existing housing unit. There are two tiers to the mortgage relief. Loans to families of very low income will carry 0% interest and are applicable to mortgages for as much as \$102,500. Loans to households of low income will carry a 3% interest rate and are applicable to mortgages for as much as \$136,500. Proof of real property loss must be demonstrated with a copy of an insurance claim or appraiser verification.

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THDA was established by the General Assembly in 1973 as a means to encourage home-ownership and stimulate the homebuilding industry. THDA is authorized to sell tax-exempt mortgage revenue bonds and invest the funds in mortgages for households fitting guidelines set by Congress. As Tennessee's housing agency, THDA also administers the Low Income Housing Tax Credit, the HOME grant program, and administers the Housing Choice Voucher (formerly known as Section 8) for households in 75 counties. Its Research, Planning and Technical Services Department generates housing data to help various entities. Its data is posted on line at www.tennessee.gov/thda.